JUMPSTART YOUR PBC SUCCESS

FOR: PSX EXHIBITORS

THRU: STRYKER ASSOCIATES

BY: POSTNEWSWEEK TECH MEDIA

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BRIEFING PERSPECTIVE

- **PURPOSE:** Excel leadership in implementing Performance-Based results.
- **CAVEAT:** Performance Based Contracting (PBC) is Key Priority of President's Management Agenda. Requires your support to plan, perform & expand PBC.

PBC AREAS OF INTEREST

- WHAT IS PBC?
- WHY IS IT IMPORTANT TO YOU?
- PBC OPPORTUNITIES
- PBC CHALLENGES
- NEW DEVELOPMENTS TO WATCH

WHAT IS PERFORMANCE BASED CONTRACTING (PBC)?

- Purchasing method in which the work is described in terms of results rather than level of effort so the contractor's performance can be measured.

WHAT IS OUR PBC MANDATE?

- Knowing how PBC can strengthen Agency Programs
- Defining Requirements in measurable, mission-related terms
- Doing better job of monitoring performance
- Partnering well to ensure we get these outputs & outcomes

WHAT DO WE HAVE NOW?

- Vague Requirement
- Little Performance Measurement
- Lack of Process Improvement
- These lead to:
  - Sub-par performance
  - Cost overruns
  - Quality & Schedule problems

WHAT CAN WE HAVE?

- Clearer & more complete definition
- Ability to track Performance
- Contractor assumes more risk
- Build strong performance examples
- These lead to:
  - Agency getting what it wants
  - Performance problems reduced
  - Building mutual reputation

WHY IS PBC IMPORTANT TO YOU?

- Means of Furthering Services Given
- Channel to offer new Services
- Mutual impacts on commercial and federal business
- Extend the state-of-the-art
- Discover new PBC markets

PBC OPPORTUNITY: GSA PURCHASING

- Increase Schedule Orders by knowing how to use--
  - www.fss.gsa.gov/schedules
  - www.fss.gsa.gov/services
  - www.ebuy.gsa.gov
  - www.gsaAdvantage.gov
  - www.gsaelibrary.gsa.gov

PBC OPPORTUNITY: GSA PURCHASING

- To do--
  - Peruse before attending PSX
  - Go to relevant seminars
  - Make/further feds' contacts

PBC OPPORTUNITY: EXPANSION "WINDOWS"

- "Data mine" PBC potentials in Agency or OMB Website--
  - Strategic/Performance Plans
  - Procurement Forecasts
  - Business Cases

PBC OPPORTUNITY: EXPANSION "WINDOWS"

- To do-- three-tiered actions
  - Suggest not-previously-considered areas
  - Demonstrate expansion of slightly considered areas
  - Link commonly-applied service areas to obtain hybrids with higher effectiveness

PBC OPPORTUNITY: BUYING STRATEGIES

- Review and Evaluate--
  - Case Studies (arnet.gov)
  - Policies (acqnet.gov)
  - Lessons Learned (knownet.hhs.gov)

- Note: All URLs herein begin with www.

PBC OPPORTUNITY: BUYING STRATEGIES

- To do-- explore these means
  - Commercial Purchasing Means (for either the Contract and/or Orders)
  - GSA Schedules or GWACs
  - Set-asides (in all forms)
  - Multi-agency BPAs

PBC OPPORTUNITY: INCREASE REACH

- Develop PBC Profiles in Potential areas including--
  - Competitive Sourcing (govexec.com/edge)
  - Outsourcing (fcw.com/index)
  - Privatization (businessofgovernment.org/pdfs)

PBC OPPORTUNITY: INCREASE REACH

- To do--
  - Refine current & search new competitive areas (during PSX)
  - Develop performance-based approaches including risk analyses
  - Suggest demo, oral presentation and risk assumption as competitive boosts

PBC OPPORTUNITY: INCENTIVE USE

- Do pro/con about state-of-the-art Incentives--
  - Award Term (afpubs.hq.af.mil)
  - Share in Savings (gcn.com,search)
  - Commercial Examples (napm.org, search)

PBC OPPORTUNITY: INCENTIVE USE

- To do--
  - Provide initial input to structure acquisition
  - Critique draft solicitation
  - Propose alternate arrangements as appropriate
  - Negotiate and perform so Incentives become a boon, not a bane

PBC OPPORTUNITY: PARTNERING

- Become acutely aware of possibilities through--
  - ncmahq.org/cm
  - amc.army.mil
  - pmi.org/pm network
  - gao.gov

PBC OPPORTUNITY: PARTNERING

- To do--
  - Assess potential (at PSX)
  - Determine one or more means
  - Show effective communication throughout source selection
  - Engender partnering approach for better performance

PBC CHALLENGE:
DOING EFFECTIVE PBC

- Accomplish--
  - Move from selling people to selling results
  - Use a Quality Control Plan (QCP)
  - Have QCP be Evaluation Factor
  - Build Lessons Learned

PBC CHALLENGE:
BETTER METRICS TIES

- Accomplish--
  - Define both micro (Inspection) and macro (Customer Feedback) metrics
  - Connect metrics to baseline results
  - Connect metrics to Program and Strategic results
  - Have metrics be useable by feds also

PBC CHALLENGE:
LESS THAN FULL PBC

- Accomplish--
  - Discover such projects (a la PSX)
  - Describe why full PBC not viable
  - Recommend what area(s) have PBC potential
  - Outline ways to achieve this potential

PBC CHALLENGE: ADAPT PBC APPROACH

- Options--
  - Unique, one-time, complex effort
  - Contingency activities
  - State-of-the-art services: intelligence, environment, health, IT, etc.
- Accomplish-
  - Demo agencies on PBC effects (at PSX)
  - Stimulate PBC Community of Practice

PBC CHALLENGE: CONNECT TO ORG'L ASSESSMENTS

- Types--
  - Capability Maturity Model
  - Business Process Re-engineering
  - Enterprise Resource Planning
  - Continuity Planning
- Accomplish--
  - Market expertise (at PSX)
  - Replicate success in similar/new ways

PBC CHALLENGE:
INTEGRATE PBC WITH CROSS-CUTTING INITIATIVES

- Emphasize--
  - Data-sharing
  - Security Systems profiling
  - E-Gov
  - Customer Relationship Management
- Accomplish--
  - Discover gaps
  - Market resolutions (a la PSX)
  - Leverage success across Agencies with similar Programs

NEW DEVELOPMENTS TO WATCH

- Acquisition Center of Excellence in Contracting for Services
  - URL: acc.dau.mil/ace
  - Latest info. on successes (to be replicated) and concerns (to be addressed)
- Your response--linking expertise to the topics presented

NEW DEVELOPMENTS TO WATCH

- GSA Schedules Innovations
  - Apply on-line for IT Schedule 70. Others to be added
    URL: eoffer.gsa.gov
  - Ordering telecommunications equipment & services, support services and/or solutions through gsa.gov/connections

NEW DEVELOPMENTS TO WATCH

- GSA Schedules Innovations
  - Supply and Product Ordering through gsaglobalsupply.gsa.gov
  - Multiple Award Schedule training, on-line, through fsstraining.gsa.gov
- Your response--
  - Use Schedules
  - Suggest PBC linkages

NEW DEVELOPMENTS TO WATCH

- Emerging Agency Emphasis Examples
  - DOD-- Network-Centric Warfare
  - ED- No child left behind
  - NARA- Electronic records capture
  - Others
- Your response--
  - Focus on expertise area(s)

NEW DEVELOPMENTS TO WATCH

- Emerging Agency Emphasis
- Your response--
  - Source PBC possibilities
  - Gather Market intelligence
  - Be asset to procurement process
  - Develop innovative teaming, approach, metrics and incentives
  - Ensure results well-connect to Programs that defined effort

SUMMARY: Proactive Leadership

- PBC Requires Support. Give feedback and build Best Practices
- Contribute to database of successful examples
- Help overcome reactive and parochial tendencies
- Incorporate Lessons Learned for long term viability

FOR FURTHER INFORMATION

- To clarify, give feedback or obtain viable PBC actions and/or contacts, connect with:

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